

IRAN AND SAUDI ARABIA: POTENTIAL FOR CONFLICT  
OR UNEASY PEACE?

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DARREN A. SUNDYS, MAJOR, U.S.ARMY  
B.S., Morehead State University, Morehead, Kentucky, 1997

Fort Leavenworth, Kansas  
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Name of Candidate: MAJ Darren A. Sundys

Thesis Title: Iran and Saudi Arabia: Potential for Conflict or Uneasy Peace?

Approved by:

\_\_\_\_\_, Thesis Committee Chair  
Charles E. Heller, Ph.D

\_\_\_\_\_, Member  
Britt W. Estes, M.A.

\_\_\_\_\_, Member  
LTC Gordon Gore, M.A.

Accepted this 11th day of December 2009 by:

\_\_\_\_\_, Director, Graduate Degree Programs  
Robert F. Baumann, Ph.D.

The opinions and conclusions expressed herein are those of the student author and do not necessarily represent the views of the U.S. Army Command and General Staff College or any other governmental agency. (References to this study should include the foregoing statement.)

## ABSTRACT

### IRAN AND SAUDI ARABIA: POTENTIAL FOR CONFLICT OR UNEASY PEACE?

By MAJ Darren Sundys, 78 pages

The relationship between Iran and Saudi Arabia has been a tenuous one following the 1979 Iranian Revolution. The research question investigates what type of threat Iran poses to Saudi Arabia and how the Saudi's will respond. This threat is not limited to a military one; it includes those to the Saudi economy and political instability. Iran seeks regional dominance; standing in its way is Saudi Arabia. It has rebuilt its military, sponsored violent organizations, and threatened to close the Strait of Hormuz. These threaten not only the security of Saudi Arabia but its legitimacy in the Arab world. The relationship of these two nations will continue to impact the region and possibly the world economy.

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## ACRONYMS

GCC	Gulf Cooperative Council
IRGC	Islamic Revolutionary Guards Corps
OPEC	Organization of Petroleum Exporting Countries
UAE	United Arab Emirates
WMD	Weapons of Mass Destruction



## CHAPTER 1

### INTRODUCTION

The Persian Gulf is a region of historical and economic importance beginning with the opening of trade between Europe and the East. Since the end of the Ottoman Empire the region has undergone many political changes that have affected the stability and political allegiances over time largely in part to the era of colonialism. In the post World War I Middle East, Britain and France divided their former colonial landmasses along geographic boundaries rather than along ethnic lines. A direct result of this has been conflict and strife in the Middle East that continues to this day. Most notable among these conflicts are the 1980-1988 Iran-Iraq War and Arab-Israeli Wars. Less well known are the conflicts between the Gulf littoral states that have repeatedly threatened this vital area of the world. To highlight just a few are the border disputes between: Bahrain and Qatar, Saudi Arabia and Qatar, and the United Arab Emirates (UAE) and Iran. While these disputes did little to impact the global economy, much less make the nightly news in the United States, it does represent the dynamic and highly volatile political environment of the Persian Gulf region.

However, the most important relationship in the Persian Gulf is the one between the Islamic Republic of Iran and the Kingdom of Saudi Arabia. It is this relationship that defines the region as a whole. One country leads the Shia world and controls the Eastern shore of the Persian Gulf while the other leads the Sunni world and controls most of the Western shore. The relationship between these two countries has been tenuous at best, even before the 1979 fall of the Iranian Shah. With the region producing over sixty percent of the world's oil this relationship merits close study.

The Saudis have long feared a war with its neighbors, and have gone to great lengths to avoid them. Prior to 1979 the relationship with the Shah of Iran had been strained at times, but there was never a real concern that the Iranians posed a significant threat. When the Shia Revolution in Iran ousted the Shah in 1979 it sent a current of fear through the ruling Al-Saud family of Saudi Arabia. What worried the Al-Saud the most was the proclamation by the Shia Revolution leader, Grand Ayatollah Khomeini, that Iran would export the revolution to other countries. With a large Shia population living in the Eastern Province of Saudi Arabia this was not a threat to be taken lightly. The Shia minority in Saudi Arabia are considered heretical by the majority Sunnis which has resulted in fewer social and civic opportunities for this group. The Eastern Region the largest oil reserves. Later that same year the fear was realized when the Shia, in the city of Qatif rebelled.<sup>1</sup> Although the uprising was suppressed immediately it opened fissures for all to see; the Saudis were vulnerable to the influence of Iranians within their own borders. This division in social standing and civil rights has and is likely to continue to create trouble for the ruling family.

The Iranians continued in their attempt to export the revolution by challenging the al-Saud title as Custodian of the Two Holy Mosques at Mecca and Medina. The Iranian challenge again was not limited to rhetoric. In 1979 the Hajj resulted in a riot led by Iranians. The outcome of this was over 400 Iranians dead at the hands of Saudi Security forces.<sup>2</sup> The Saudis by this time had had enough and ended diplomatic relations with Iran.

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<sup>1</sup>Anthony H. Cordesman and Nawaf Obaid, *National Security in Saudi Arabia* (Westport, CT: Praeger Security International, 2005), 260.

<sup>2</sup>Philip Robins, *The Future of the Gulf* (Brookfield: Gower Publishing Company, 1990), 20.

The Saudis were not interested in direct military confrontation and looked for other venues to respond to the Iranians. In 1980 they got what they were looking for, the Iran-Iraq War. After Saddam Hussein's forces began to falter, Saudi Arabia began to secretly funnel money to the Iraqis. While they themselves were not willing to fight the Iranians outright they were more than willing to fund those that would. The Kuwaitis fell in line with the Saudis a move which did not go unnoticed by the Iranians. The Iranians now began to view this war in a different light; the Sunnis who ruled Gulf Arab states against Shia rule of Iran.<sup>3</sup>

This led to the greatest economic threat so far, the Tanker Wars. During this time period oil tankers transiting the Persian Gulf were in danger of striking Iranian sea mines, interdiction by Iranian naval vessels, or attack by their aircraft. This again heightened tensions between the two countries. As a result, in 1981, the Saudis led the creation of the Gulf Cooperative Council (GCC).<sup>4</sup> The GCC is a military alliance in response to the threats of the Iran-Iraq War. From the Iranian perspective it put them at a disadvantage. Because of this they would alter their strategy to encompass most of the Gulf Arab states at one point or another.

Other neighboring Gulf States have not been immune to Iranian actions. Most notable are Kuwait and Bahrain. Kuwait suffered more losses during the tanker wars than did the Saudis. So much that they reached out to the United States to reflag some of its tankers. This request was initially declined until the Kuwaitis opened negotiations with

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<sup>3</sup>Shahram Chubin and Charles Tripp, *Iran-Saudi Arabia Relations* (New York: Routledge, 2004), 10.

<sup>4</sup>Robins, 57.

the Russians then the U.S. agreed.<sup>5</sup> The Bahrainis have had much to contend with as well. With its large Shia population it was seen as vulnerable to external influence, which was quickly exploited by the Iranians. Bahrain has had to contend with Shia coup attempts, riots, and political instability. These threats re-emerged as recently as February 2009 when Iranian leaders declared that the Shia dominated Kingdom of Bahrain was part of Iran. While these Iranian actions may seem separate and distinct from Saudi Arabia, one must remember the close proximity between the two. Bahrain is connected to the Eastern Region of Saudi Arabia via a causeway, and the Shia populations of the two countries often intermingle. In the case of the latter the same is true for Kuwaiti Shia.

Following the 1979 revolution the Iranians were initially consumed with internal political strife. Had this been allowed to play out it is possible that the Revolution would have run its course and evolved into an Iran other than the one we know today. Although the revolutionary zeal may have crossed its first border into Saudi Arabia, it was Iraq that would alter the course of Iran. The Iran-Iraq war galvanized the Iranian populace with a sense of nationalism that had not been seen in the country before. With its many military failures and lacking the modern tools of war, it relied instead on its populace to sacrifice themselves in human wave attacks against better equipped Iraqi defenses. This was the measure of their resolve following the ousting of the Shah and was an indicator of things to come. Iranian perception of the other Gulf States began to change, not only because of the money being supplied to Iraq, but because of increasing arms deals with the West, most notably the United States. This association was quickly exploited by Iranian

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<sup>5</sup>Kenneth Pollack, *The Persian Puzzle* (New York: Random House Publishing Group, 2004), 224.

propaganda stating the Saudis in particular were a proxy of the United States, “the Great Satan” and at its beck and call. This propaganda would later become a front line weapon used by the Iranians in their “Arab Street Strategy.”<sup>6</sup> This is a strategy where the Iranians speak directly to Arab populations instead of through the Arab governments.

The 1980s saw a shift in Iranian strategy that included an asymmetric option. It was during this time that they began to support dissent in neighboring countries and the use of terror as a weapon. The Iranians demonstrated their adeptness at striking throughout the Gulf region when Hezbollah trained plotters were captured planning a coup in Bahrain, and also attempting an assassination of the Kuwaiti head of state.<sup>7</sup> Saudi Arabia and the United States were not free from Iranian sponsored attack during this period. In 1996 that Air Force Barracks at Khobar Towers was attacked killing several U.S. personnel. This attack was linked to the terror group Hezbollah, trained and backed by the Iranian Islamic Revolutionary Guards Corp (IRGC).<sup>8</sup>

The Iranians proved adept at finding and exploiting flaws within the GCC. During the 1992 border dispute between Qatar and Saudi Arabia the Iranians offered to send a large contingent of troops and proposed a security agreement to the Qataris.<sup>9</sup> This proved once again how fragile the situation was for the Saudis and gave the appearance that the initiative belonged to the Iranians.

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<sup>6</sup>Frederic Wehrey et al., eds., *Saudi-Iranian Relations* (Pittsburgh: RAND Corporation, 2009), 3.

<sup>7</sup>Daniel L. Byman and Jerrold D. Green, *Political Violence and Stability* (Washington DC: RAND Corporation, 1999), 60.

<sup>8</sup>Pollack, 282.

<sup>9</sup>Wehrey et al., 19.

The ultimate Iranian goal has morphed from exporting its revolutionary ideology to becoming the only Gulf superpower. Its rulers believe that this can not be realized through military might alone but by becoming the one true champion of Islam. Standing in its way to this goal is Saudi Arabia which has a more technologically advanced military and is historically the leader of the Sunni world. Because of this they control the number, by country, of pilgrims, including Shia, attending Hajj each year; a point of contention for the Iranians. They are additionally the largest exporter of oil in the world and are able to control oil prices more so than any other Organization of Petroleum Exporting Countries (OPEC) member. The Iranians have tried various methods to attaining their goal including terrorism and support for Shia dissident groups across the Gulf, but have yet to succeed.

Because the Saudis have been historically difficult to predict in terms of diplomacy, this thesis will also look at diplomatic overtures of the GCC and other Gulf states as well. Saudis have a vested interest in the GCC and are arguably the leader of this organization; this may provide some helpful insight into the thought process occurring in Riyadh. This being said not all GCC member states have as much to lose in respect to the Iranians as the Saudis. Because of this it will provide a helpful tool to ascertain Saudi diplomacy but will not be an all inclusive template. An example of this is the Sultanate of Oman which shares the Straits of Hormuz and has exerted the most effort to maintain useful dialogue with Tehran.

This thesis assumes that the information analyzed by regional experts, journalists, and think tanks reflect accurate information regarding the regions sensitive topics such as

political instability. It also assumes that the historical trends analyzed in both countries will continue.

The thesis examines the type of threat posed by Iran to the Kingdom of Saudi Arabia and how the Saudis might respond to it. In order to answer this question we additionally need to answer how Iran might threaten the Kingdom's economic structure and how the Saudis may face it. Lastly, how effectively will Iran impact on the Kingdom's political stability by influencing the Shia and to what magnitude might be the Saudis response? The relevance gained by answering these questions gives an insight to the future stability of the Gulf. As previously stated 60% of the world's oil reserves are located in one of the most unstable regions in the world. If the Straits of Hormuz are closed or simply threatened; or if Saudi Arabia undergoes severe political instability the global economy could be devastated by skyrocketing oil prices.

Although there are numerous books regarding Saudi Arabia only a few are concerned with its military. The bulk of the material contained in this work concerning the Saudi military structure comes from U.S. military and other international defense publications. Although there are several publications regarding historical Shia uprisings in Saudi Arabia, there are few that directly link Iranian influence to political instability. The greatest limitation placed on research with Iran is a lack of physical access to the country by most western citizens. This directly impacts the amount of information regarding, its political structure, and policies. Additionally, there is a lack of translated diplomatic documents that could offer insight into these realms. This thesis especially looks at threats to Saudi Arabia as posed exclusively by Iran. Conflicts and disputes with other neighboring countries such as Yemen, although important, will not be included.

Additionally, this study will focus on organizations that have ties to Iran, such as Hezbollah, and are likely to exclude other non-state actors such as Al Qaeda.



## CHAPTER 2

### LITERATURE REVIEW

This material can be divided into three areas of research. These are: (1) the type of military threat Iran poses to Saudi Arabia; (2) the Iranian threat to the Saudi economic structure; and (3) will Iran affect the Saudi's political stability? Each will be discussed from the Iranian Revolution in 1979 to the present. Since this period has been an active one for the Middle East there is a large volume of information available. In addition to material on Iran and Saudi Arabia's relationship, the political stability of several neighboring countries impacting Saudi Arabia will also be discussed.

There is a variety of literature available on Saudi Arabia and Iran. Much of the information about these countries's relationship is often limited to specific time periods or events such as the Iran-Iraq War. Because of this the preponderance of information gleaned concerns the military, foreign policy, and economic vulnerabilities of the two specifically as it relates to their tenuous relationship.

There are two limitations that affect this thesis. The first is that the author is unable to use material that is in Arabic or Farsi. The second is the research will be exclusive in the above areas affecting the relation between Iran and Saudi Arabia therefore not all factors such as the recent Iranian elections and subsequent discontent in that country will be discussed.

The author also makes two assumptions. First, foreign policy between the two countries will remain unchanged as they have in the last thirty years. Second, in the near term, there will be no major diplomatic breakthroughs in the region leading to sectarian, religious, and ethnic peace.

### Iranian Military Threat to Saudi Arabia

This section of the literature review is a military comparison between Saudi Arabia and Iran's (1) ability to counter the Gulf Cooperative Council (GCC) technological advantages, (2) Theater Ballistic Missile, (3) submarine threat, (4) deterrence through intimidation, (5) leadership and policies, struggle for regional hegemony, and the threat of Weapons of Mass Destruction (WMD).

There are several works available that offer a comparison between the Iranian and Saudi militaries. Robert Baer's book, *The Devil We Know*, offers quantitative analysis of military expenditures. In 2006 Saudi Arabia spent four times as much on its military than did the Iranians.<sup>10</sup> The U.S. House of Representatives Committee on Foreign Affairs in 2007 released a document that proposed an arrangement for the sale of "defensive systems" to Saudi Arabia.<sup>11</sup> This was made in response to the Iranian's growing military capability. This statement is followed by the 2008 purchase of two brigades worth of Light Armored Vehicles from the United States as well as support vehicles and artillery from European countries. Kenneth Pollack writes that between 1991 and 1997 the Iranians spent over \$1 billion on Russian military hardware such as the MIG 29 fighter jet.<sup>12</sup> Shahram Chubin and Charles Tripp in their work, *Iran-Saudi Arabia Relations and Regional Order*, conclude that during the 1980s the Saudis outspent both Iran and Iraq

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<sup>10</sup>Robert Baer, *The Devil We Know* (New York: Random House, Inc., 2008), 100.

<sup>11</sup>U.S. House of Representatives Committee on Foreign Affairs, "Arms Sales to Gulf States," Committee News July 28, 2007, [http://www.internationalrelations.house.gov/press\\_display.asp?id=403](http://www.internationalrelations.house.gov/press_display.asp?id=403) (accessed 31 August 2009).

<sup>12</sup>Pollack, 258.

combined in total military purchases.<sup>13</sup> Specifically these works verify the spending levels of each nation.

The Iranians understand their lack in technological shortcomings and have been working to overcome them. Saideh Lotfian writes that following the Iran-Iraq war the Iranians chose not to rebuild the existing force structure, rather they are building a new one.<sup>14</sup> Michael Knights enforces this when he states that the Iranians have been using laser-guided munitions and other advanced weaponry since the late 1970s.<sup>15</sup> Knights further states that the Iranian military is placing emphasis on junior leader development as well as joint command and control.<sup>16</sup> All the authors agree that the Saudi military has a clear technological edge over the Iranians. However, the Iranians are feverishly working to overcome this through training and purchases of sophisticated weaponry. Jerrold Green, Frederic Wehrey, and Charles Wolf write that the Iranians are very aware that they are limited to military purchases from Russia, China, and former Soviet states while Saudi Arabia and the Arab Gulf states have access to more advanced weapons technology from the West.<sup>17</sup> This is made apparent through the works of Feisal al-Mazidi and the

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<sup>13</sup>Chubin and Tripp, 12.

<sup>14</sup>Saideh Loftian, "A Regional Security System in the Persian Gulf," in *Security in the Persian Gulf*, ed. Lawrence G. Potter and Gary G. Sick (New York: PALGRAVE, 2002), 121.

<sup>15</sup>Michael Knights, *Troubled Waters* (Washington DC: Washington Institute for Near East Policy, 2006), 60.

<sup>16</sup>*Ibid.*, 62.

<sup>17</sup>Jerrold D. Green, Frederic Wehrey, and Charles Wolf, Jr., *Understanding Iran* (Pittsburgh: RAND Corporation, 2009), 77.

authors of *Saudi-Iranian Relations Since the Fall of Saddam*, where they agree that the formation of the GCC was a net gain to Saudi Arabia and, therefore, a detriment to Iran.<sup>18</sup>

There is, however, a debate of whether or not Iran continues to pose a significant threat to its Gulf Arab neighbors. Philip Robins writes that Iran no longer poses a significant military threat to the Gulf states in his work *The Future of the Gulf: Politics and Oil in the 1990s*.<sup>19</sup> This is in contrast to Knights assertion that the threat Iran poses to the Gulf States is likely to be, “that of Iranian naval and aerial/missile attacks.”<sup>20</sup>

However, in a New York Times Op-Ed piece by Max Boot and Jeane J. Kirkpatrick the number of Saudi advanced western fighters compared to the Iranian aircraft is almost a three to one superiority.<sup>21</sup> This threat of aerial/missile attacks is likely true more so now than in 2003 before the U.S. led invasion of Iraq. The Iranians are not likely to conduct an overland attack through southern Iraq and Kuwait so long as the U.S. military has a sizable presence there.

Thus Iran has been forced to counter Saudi and GCC technological advantages through various asymmetric options. This has become necessary after various encounters that have resulted in poor results for the Iranians. Kenneth Pollack writes about such an event in *The Persian Puzzle* when an Iranian naval force was interdicted and turned back

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<sup>18</sup>Feisal al-Mazidi, *The Future of the Gulf* (New York: St Martin’s Press, 1993), 70-71.

<sup>19</sup>Robins, 68.

<sup>20</sup>Knights 130.

<sup>21</sup>Max Boot and Jeane J. Kirkpatrick, “The Gulf States and Iran,” *Council on Foreign Relations* (2007), [http://www.cfr.org/publication/14961/gulf\\_states\\_and\\_iran.html](http://www.cfr.org/publication/14961/gulf_states_and_iran.html) (accessed 31 August 2009).

by a joint Saudi-U.S. force after trying to attack offshore oil platforms.<sup>22</sup> He further illustrates that in response to incidents such as these the Iranians began to use small boats and anti-ship missiles.<sup>23</sup> Anthony Cordesman and Abraham Wagner have stated that this form of naval warfare is the, “equivalent of a guerilla war” at sea.<sup>24</sup> Robert Baer describes in *The Devil We Know* a U.S. Navy simulation where small Iranian boats were able to inflict significant damage against a U.S. force transiting the Strait of Hormuz.<sup>25</sup> Nawaf Obaid and Cordesman have also expressed statements regarding the use of mine and unconventional warfare to counter the Saudi and GCC naval forces.<sup>26</sup> The works researched agree that Iran understands its technological disadvantage to their Gulf Arab neighbors, but has developed means to compensate for them.

In the context of understanding the Iranian Theater Ballistic Missile (TBM) threat, all of the authors agree that the Iranians will attempt to use them to close the conventional military gap.<sup>27</sup> The authors further agree that Saudi Arabia’s reaction to this threat will drive the response of the other Arab Gulf states.<sup>28</sup> Much of this reaction is contingent upon the ability to have a safety umbrella provided by the United States.

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<sup>22</sup>Pollack, 227.

<sup>23</sup>Ibid., 224.

<sup>24</sup>Ibid., 225.

<sup>25</sup>Baer, 104.

<sup>26</sup>Cordesman and Obaid, 41.

<sup>27</sup>Green, Wehrey, and Wolf, 78.

<sup>28</sup>Ibid., 118.

There is also consensus about Iran's submarine force. Authors agree that submarines were purchased from Russia and that they will not likely be employed in the Persian Gulf proper, but rather near the Strait of Hormuz and in the Arabian Sea.<sup>29</sup> They also agree that if a war should break out these submarines will be used to augment Iranian mine and unconventional warfare.

As previously discussed, the Iranians have a technological deficiency in comparison with Saudi Arabia. This has been countered with a variety of means continuing to give the Iranians a deterrence capability. In *Understanding Iran* the authors state that Iran has threatened the Gulf States with indiscriminate retaliation in the event of a U.S. strike and that many of these States fear the consequences more than the possibility of a nuclear armed Iran.<sup>30</sup> These view points are shared by Knights and Lotfian in *Security in the Persian Gulf* stating that the primary reason Iran is rebuilding its forces is for deterrence.<sup>31</sup> *The Gulf Cooperation Council: Record and Analysis* confirm these facts along with those of Cordesman indicating that Iran will gain more through "Wars of Intimidation" than through outright conflicts.<sup>32</sup> With a consensus among many renowned Middle East experts it appears that there are few differing points of view about Iran's intentions of intimidating its neighbors and why it chooses to do so.

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<sup>29</sup>Hasan al-Alkim, "The Islands Question: An Arabian Perspective," in *Security in the Persian Gulf*, ed. Lawrence G. Potter and Gary G. Sick (New York: Palgrave, 2002), 164.

<sup>30</sup>Green, Wehrey, and Wolf, 35, 117.

<sup>31</sup>Lotfian, 126.

<sup>32</sup>Cordesman and Obaid, 326.

To expand upon the works in this section there is a large quantity of information available discussing the Iranian leadership and its policies. In fact, the Iranian leadership establishment and their policies generated the most data for this thesis. Nearly half of all books had at least some information dedicated to this area and most had significant space set aside. While all the books researched do not duplicate the same information there is overlap in many aspects, it is here that the commonality can be found. Some examples of these commonalities are illustrated in the following example. The four major premises of Iran are, in *Understanding Iran*, “justice, Islam, independence, and self-sufficiency. The central theme pervades that Iran believes it has the inherent right to be the regional superpower.”<sup>33</sup>

Iran’s quest for regional hegemony occupies a great deal of the literature, but to a lesser extent than that allocated for the study of Iranian leadership. The general theory discerned from a variety of authors is that Iran shows its intent to become the regional superpower, and is patient in this pursuit. Iran is attempting to meet its goal through a variety of means including military prowess through the use of asymmetric options. There is some discrepancy about how effective this has been and will be for the Iranians. Abdullah al Shayji states that the Iranian measures are clearly worrying the Saudis.<sup>34</sup> However, Chubin says that the Iranian threat is ebbing and its appeal has already started to decline.<sup>35</sup> While there appears to be some debate about asymmetric option’s

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<sup>33</sup>Abdullah al-Shayji, “Mutual Realities, Perceptions, and Impediments Between the GCC States and Iran,” in *Security in the Persian Gulf*, ed. Lawrence G. Potter and Gary G. Sick (New York: PALGRAVE, 2002), 224.

<sup>34</sup>Ibid.

<sup>35</sup>Chubin and Tripp, 62.

effectiveness, the amount of material written discussing this facet indicates that the threat has at the very least been troubling for regional experts.

The WMD threat is mentioned only briefly in most of the texts used for research. Cordesman in his book, *National Security in Saudi Arabia*, states Iran has many reasons to pursue WMD capabilities yet has never declared its objectives.<sup>36</sup> These points highlight the Kingdom's concerns over the possibility of a WMD capable Iran and further discuss the Saudi options available. This assertion is supported in an interview conducted by Bernard Gwertzman for the *Council on Foreign Relations* in 2006. Gwertzman questioned the former Adjunct Senior Fellow for Middle East Studies, Rachel Bronson, who declared, "Saudi Arabia is extremely concerned over the possibility of Iran's nuclear proliferation."<sup>37</sup>

#### Iranian Threat to the Saudi Economic Structure

The principal way to harm the Saudi economy is to disrupt their means to produce and sell oil. The Saudi government is reliant on the revenue generated through oil sales to finance everything from health care to infrastructure projects. One of the key uses of this oil money is modern weapons technology purchased from Western nations. This section will discuss literature as it pertains to the possible threat of Iranian interference with the Saudi oil infrastructure. This include asymmetric attacks on Saudi oil infrastructure, attempts to close the Strait of Hormuz, and attacks on Persian Gulf shipping.

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<sup>36</sup>Cordesman and Obaid, 56-57.

<sup>37</sup>Bernard Gwertzman, "Bronson: Saudis 'Deeply Concerned' Over Iran's Program," *Council on Foreign Relations* (2006), <http://www.cfr.org/publication/10328/bronson.html> (accessed 31 August 2009).



The threat of asymmetric attacks against critical Saudi oil infrastructure includes terrorist attacks and unconventional warfare. Knights was the single greatest contributor of information in this area.<sup>38</sup> The volume of information provided is considerable yet he is the only author found that identifies an Iranian asymmetric threat.

The idea of closing the Strait of Hormuz is not a new one for the Iranians. As such there is a substantial amount of work devoted to this topic. The act of closing the Strait would prevent twenty percent of the world's oil from reaching markets and send the price of crude to a potential new high.<sup>39</sup> In all, one third of the literature devoted some mention of this topic. Authors agree that the Iranians have the capacity to close the Strait even if only for a short period of time.<sup>40</sup> They further agree that the Iranians have as much to lose from closing the Strait as do the Arab Gulf states and will only use threaten it as a deterrent measure.<sup>41</sup>

While the Iranians have never closed the Strait of Hormuz they have in the past interdicted shipping transiting through the Persian Gulf. The first incident occurred during the Iran-Iraq War and additional attacks were not limited to those vessels registered to Iraq. There was an equally large amount of information available as there was concerning the Strait of Hormuz closure. Most authors agree that Iran has as much to lose from these actions as do the Arab Gulf States and are thus not likely to attack

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<sup>38</sup>Knights, 70.

<sup>39</sup>Baer, 133.

<sup>40</sup>Al-Alkim, 165.

<sup>41</sup>Knights, 69.

shipping except as a last resort. However, Baer in *The Devil We Know* states “In 1988, that was an empty threat. Today, it no longer is.”<sup>42</sup>

### Iranian Threat of Creating Political Instability Inside Saudi Arabia

This section examines the works devoted to Iranian threats in order to understand the Saudis principal concern of the political instability and dissent within their own borders. In order to understand the issues surrounding Iranian sponsored political instability, we must look at the relevance of each subcomponent as it relates to Saudi Arabia. The threat Iran poses internally to Saudi Arabia lies with its Shia and sectarian ties. This is not only a hypothetical threat, but historically a real one. As such, of all the sources examined regarding this, the subject of Iranian interference inside Saudi Arabia has produced the most information. A significant amount of literature is also devoted to Iranian threats to Saudi oil infrastructure. With so much information for such a large topic area the information has again been broken into subcomponents. These components are: Sunni-Shia strife, Iranian Revolution, impact on Saudi Shia resulting from the U.S. occupation of Iraq, Bahraini instability, Iranian influence on Saudi Arabia Shia, and Iran’s Arab Street Strategy.

The tensions between Sunni and Shia Islam have been going on for centuries. Thus there has been a significant amount of work devoted to this sensitive issue in the literature. Authors agree that the problem persists and is likely to continue in the future. *Saudi-Iranian Relations Since the Fall of Saddam*, quotes the current Saudi monarch, King Abdullah, as saying that tensions between Sunni and Shia are a, “matter of concern,

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<sup>42</sup>Baer, 133.

not a matter of danger.”<sup>43</sup> This is not the only dissenting comment found, but it is interesting to note that it is the Saudi King who made the remark. An August 2009 article in the “American Chronicle” titled *Iran vs Saudi Arabia vs United States* asserts that Saudi Arabia “is spending as much as it can in creating a fissure along the sectarian lines in the Islamic community.”<sup>44</sup> This comment highlights the Saudi effort to restrain Iran’s growing influence. In contrast, a *New York Times* article, *Saudi-Iran Meeting Yields Little Substance*, states that a 2007 meeting between Saudi King Abdullah and Iranian President Mahmoud Ahmadinejad was largely in part to find common ground to “curb tensions between Shiite and Sunni Muslims.”<sup>45</sup> R.K. Ramazani and Joseph A. Kechichian believe that most of the political violence in the Gulf has been conducted by Shia Muslims.<sup>46</sup> This information’s relevance can be found in *Iran Saudi Arabia Relations and Regional Order* where the claim is made that if Iran enters a Sunni-Shia dispute with one Arab state it will inflame all of its Arab neighbors over the historical symbolism.<sup>47</sup> The

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<sup>43</sup>Frederic Wehrey et al., 7.

<sup>44</sup>Abbas Bakhtiar, “Iran vs. Saudi Arabia vs. United States,” *American Chronicle* (2007), <http://www.americanchronicle.com/articles/printFriendly/20308> (accessed 31 August 2009).

<sup>45</sup>Hassan M. Fattah, “Saudi-Iran Meeting Yields Little Substance,” *New York Times*, 5 March 2007, <http://query.nytimes.com/gst/fullpage.html?res=9803EFDC1431F936A35750C0A9619C8B> (accessed 1 September 2009).

<sup>46</sup>R. K. Ramazani and Joseph A. Kechichian, *The Gulf Cooperation Council* (Charlottesville: University Press of Virginia, 1988), 41.

<sup>47</sup>Chubin and Tripp, 4.

literature also indicates the Saudi concern over its potential loss of influence as the preeminent Islamic power and that influence appears to be transferred to Iran.<sup>48</sup>

The Iranian Revolution forever altered the relationship between Saudi Arabia and Iran. In fact the effects have rippled across the Gulf to all the Arab states. Most of the literature devotes a significant amount of information and analysis of the effects, and in the words of R.K. Ramazani, it has “helped to coalesce the security concerns of Saudi Arabia.”<sup>49</sup> The literature suggests that this is in response to an emboldened Shia population within the Gulf Arab states.<sup>50</sup> There is consensus in the literature that the Iranian Revolution, more so than events such as the Iraqi invasion of Kuwait, have galvanized the Gulf Arab states. In Dr. Bakhtiar’s August 2009 article in the “American Chronicle” he states that:

Saudi Arabia is afraid that if Iran is successful in its rise, it may become a model for Muslims in the Middle East. It may weaken and ultimately destroy the Wahhabi version. The Wahhabi clerics know that in an ideological fight, their version of Islam is going to lose. They now are looking at [the] United States to protect them by weakening Iran.<sup>51</sup>

Bakhtiar’s statement is echoed by a *New York Times* article which asserts “Iran has become more dangerous than Israel itself.”<sup>52</sup> The large volume of information concerning the Iranian Revolution relates to the fears of the Arab states and in particular Saudi Arabia.

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<sup>48</sup>Baer, 26.

<sup>49</sup>Ramazani and Kechichian, 6.

<sup>50</sup>Robins, 57.

<sup>51</sup>Bakhtiar.

<sup>52</sup>Fattah.

The U.S. invasion of Iraq has also been a contributing factor to the changing dynamics in the Gulf region. There has been a growing number of works dedicated to understanding this event and how it will impact the Gulf's future. There are indications that the Saudis are concerned about a U.S. withdrawal before the country has been stabilized in the fear that Iraq would become a Shia proxy for Iran. *Saudi-Iranian Relations* cites Saudi Prince Turki al-Faysal's concern about this possible eventuality and warns the U.S. not to withdraw.<sup>53</sup> A Brookings Institution article comments that the war in Iraq has "deepened the radicalization of both Shia and Sunni parties in the region."<sup>54</sup> This impact on Gulf relations and security is likely to be the subject of many books and journal articles in the future.

The Saudis also have a concern for Iranian influence of Shia within their own borders. They have an equal interest in Iranian influence among the Shia dominated population of nearby Bahrain. The close proximity of Bahraini Shia to the Saudi Eastern Province is the reason for this concern. Almost half of the works researched dedicated time to the specter of Iranian influence over this small Gulf country. In this subject, as in others researched, the authors show the same attitudes in their writings. Daniel L. Byman and Jerrold D. Green offer a summary of these trends when they write that, "Iran has encouraged radicalism and organized opposition groups capable of violence."<sup>55</sup> There are several books that provide insight into the Saudi position on this influence in Bahrain

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<sup>53</sup>Frederic Wehrey et al., 728.

<sup>54</sup>Crisis in the Middle East Task force, "Sunni-Shia Divide: How Important has it Become?," *Brookings Institute* (2007), <http://www.brookings.edu/events/2007/0730middle-east.aspx?p=1> (accessed 31 August 2009).

<sup>55</sup>Byman and Green, 47.

including *The Persian Puzzle* which illustrates the willingness of the Saudis to intercede on their neighbors behalf if they are threatened.<sup>56</sup>

In conjunction with Iranian influence inside Saudi Arabia, this thesis also looks at Iranian attempts to indirectly influence Shia in other Gulf States. This is what has become known as Iran's Arab Street Strategy. This is where the Iranian leaders talk directly to the people of the Gulf, while bypassing heads of state. There were five principle works that provided information on this Iranian tactic. They are: *Understanding Iran, Saudi-Iranian Relations Since the Fall of Saddam, Political Violence and Stability in the States of the Northern Persian Gulf, The Crisis of Islam*, and *The Persian Puzzle*. All the authors draw the same conclusion in their analysis.

The last topic area is the Saudi Shia. This topic, as in others discussed, resides in almost half of the works. The two that provided the most resources for research information were *Saudi-Iranian Relations Since the Fall of Saddam* and *Political Violence and Stability in the States of the Northern Persian Gulf*. These two offer a historical analysis of the Shia of Saudi Arabia in particular their interaction with the majority, a history of uprisings, and examples of discrimination.

In summary, there is a significant amount of information available for this thesis. The preponderance of literature shows the trends over the thirty years since the 1979 Iranian Revolution. There is also significant information available from a variety of sources concerning military threats to Saudi Arabia and its political instability. Literature regarding the threat to Saudi Arabia's economic infrastructure is available, however, in much less quantity than the two aforementioned topics. In conclusion authors agree on

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<sup>56</sup>Pollack, 281.

the political instability and military threats Iran poses to Saudi Arabia. There were few authors that cited an economic threat to Saudi Arabia, those that did focused on Persian Gulf tanker traffic.

## CHAPTER 3

### RESEARCH METHODOLOGY

This thesis will research the primary question as to what type of threat Iran poses to Saudi Arabia and how the Saudi's will respond? This will be accomplished by determining secondary questions that will support answering the primary research question. How Iran might threaten the Kingdom's economic structure and how will the Saudis respond? What type of military threat capability does Iran have? How will Iran impact the Kingdom's political stability by influencing the Shia and to what magnitude will the Saudis respond?

This chapter will first identify how information was obtained to address the primary and secondary questions. It will provide the criteria used to determine feasibility of method and each source's relevance. The method for conducting analysis and standards for significant sources will discuss how information was screened and categorized for further analysis.

Information for this research came from a variety of sources. The preponderance of literature came in the form of secondary sources written by authors categorized as regional experts and publications from the RAND Corporation. This information was supported by various newspaper articles, professional journals, and interviews. There was no shortage of information relating to either Iran or Saudi Arabia. The vast majority of newspaper and journal articles on Iran are in reference to its nuclear program, turmoil resulting from the elections, and its role in Iraq. Of these the turmoil resulting from the elections, while of interest, was listed as a limitation in chapter 2 and will not be discussed. The role Iran plays in Iraq will be analyzed in the context of how Shia



leadership in that country will impact Saudi Arabia after U.S. forces eventually leave. An abundance of information was found in literature pertaining to the two secondary questions regarding the military threat Iran poses to Saudi Arabia, and how the former can influence political instability within the Arab kingdom. Literature associated with the secondary question of how Iran can interfere with Saudi Arabia's oil exports on the other hand produced the least amount of associated research information.

The information gleaned from this literature was then further broken down into sub-components by each secondary question to make the sorting process more efficient. This sub-component information will later be used to form the outline for chapter 4. The secondary question's literature pertaining to the threat Iran's military poses to Saudi Arabia was given the following sub-components: (1) compare the militaries, (2) Iran's ability to counter GCC technological advantages with asymmetric options, (3) Theater Ballistic Missile threat, (4) deterrence capability, (5) Iranian leadership and foreign policies, and (6) Regional hegemony. This array of sub-components allowed for an efficient sorting process of information and further allowed the research to be quickly categorized.

The literature for the secondary question of Iranian interference with Saudi Arabia's oil exports had the following sub-components: (1) asymmetric attacks against Saudi oil infrastructure, (2) closing of the Strait of Hormuz, and (3) attacking tanker shipping in the Gulf. With the comparatively small amount of literature researched on this secondary question, the number of sub-component topics was subsequently reduced to allow for an efficient categorization process yet still be broad enough to effectively discuss and answer this question.

The last secondary question's literature of how Iran can influence political instability within the Kingdom was broken into the following sub-components: (1) the Iranian Revolution, (2) Sunni-Shia strife, (3) Bahraini Shia influenced and supported by Iran, (4) Iranian attempts to undermine Saudi Arabia's status by supporting the Palestinian/Lebanese cause, (5) Iranian attempts to challenge the Saudi title of Custodian of the Two Holy Mosques, (6) Iran's policy regarding Hezbollah's, (7) Iran's Arab Street Strategy, (8) direct Iranian influence in Saudi Arabia, and (9) the Saudi Shia and how the U.S. occupation of Iraq will impact them. The number of sub-component topics is necessary to effectively manage the volume of information researched. While some of the sub-component topics are general this allows for flexibility in managing information, yet specific enough to aid in categorization.

This thesis will use a research methodology of documentation review and qualitative analysis. This methodology allows for a historical examination of the facts pertaining to the thesis. The information required to examine the thesis problem from a historical analysis will rely on literature by regional experts. The primary source information found in newspapers, and government reports will be analyzed along with the historical trends to determine what the future of these two countries and their associated threat to one another will likely be.

This methodology looked for historical trends by examining the information researched. These trends were analyzed by sorting information into the secondary question sub-components. By categorizing the information in this manner the research efficiently determines trends starting in 1979 continuing to current date. These trends accounted for historical facts and foreign policy changes, as well as their analysis by

research organizations such as the RAND Corporation and regional experts who have published articles in professional journals such as Council on Foreign Affairs. This methodology also examined U.S. foreign policy by examining documents from the U.S. House of Representatives Sub-committee on Foreign Affairs. These trends were then compared to current events. Historical trends that have continued from the start of the Iranian Revolution will likely continue. By comparing these trends to current events this methodology will produce an unbiased examination of the current threat posed to Saudi Arabia by Iran.

This chapter has examined how information will be obtained, how it will be sorted, and the methodology used to answer the primary research question: what type of threat does Iran pose to Saudi Arabia and how will they respond? It also described the methods of sorting and categorizing information into sub-components of each secondary question. The methodology will form the outline used in Chapter 4, Analysis and explain how the information was derived.

## CHAPTER 4

### ANALYSIS

The analysis of the type of threat Iran may pose to Saudi Arabia and how it will respond is discussed in this chapter. The impact of Iranian influence on Saudi political instability, economy, and military threat are studied. It includes a review of literature and historical events. The review will discuss expert opinions on Iranian and Saudi foreign policies as well as their military doctrine. The historical analysis will begin with the Iranian Revolution to present citing key events that affect both countries and their policies. All of this will be used to analyze the current Iranian threat and how the Saudis have responded in the past. As noted in chapter 2 there are two limitations that impact this thesis. The first is it will use only historical facts as a basis for understanding the problem between the two countries. The second is that it will be exclusively in the areas affecting the relationship between Iran and Saudi Arabia. Contributing factors such as the recent Iranian elections and subsequent discontent in that country will not be discussed.

This chapter will be organized into components to aid in the analysis. These components are: threats to Saudi political stability, economy, and military. Each component will also analyze what historical Saudi responses have been and when applicable what they are currently. These components are further divided into subcomponents to aide in analysis.

## Iran's Affect on Saudi Political Stability

### Iranian Revolution

Although the Iranian Revolution was not the first revolution to occur in the Gulf, it has had the greatest regional impact. It was perhaps the single most important event to shape the Modern Middle East since the fall of the Ottoman Empire and the creation of the State of Israel. Iranians, as with the Iraqis in 1958, overthrew a monarchy and created a republican government.<sup>57</sup> The primary difference between the two was Iraq remained a Sunni controlled republic while Iran became a Shia republic through the revolution. The appeal of the latter to the Shia living in the Gulf States was of immediate concern and threatened the entire Gulf, which was and is controlled by Sunni monarchies.

Frederic Wehrey asserts that the greatest threat to the Sunni states come from the Iranian Revolution which is “an ideological and asymmetric one.”<sup>58</sup> He further states that these cause an equal amount of tension as much as a “conventional military attack” for the Saudis.<sup>59</sup> This fear was highlighted by Ayatollah Ruhollah Khomeini when he stated, “We shall export our revolution to the whole world until the cry there is no God but God resounds over the whole world, there will be struggle.”<sup>60</sup> As a result of the Iranian Revolution the Gulf Cooperative Council (GCC) was formed.<sup>61</sup>

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<sup>57</sup>Ramazani and Kechichian, 6.

<sup>58</sup>Wehrey et al., 46-47.

<sup>59</sup>Ibid.

<sup>60</sup>Robin Wright, *The Last Great Revolution* (New York: Vintage Books, 2001), 66.

<sup>61</sup>Ibid.

In 1981 the Saudis led the way for the formation of the GCC. Philip Robins writes that the impetus was three events, “the Islamic Revolution in Iran, the Soviet invasion of Afghanistan, and the start of the Iran-Iraq war.”<sup>62</sup> The latter was the final event that sent the Sunni Gulf States searching for mutual defense. Their fear was not solely the threat of an Iranian overland invasion; it was a fear that the Gulf Shia would become emboldened by the Iranians and seek their own revolutions in each Gulf State. It must, however, be remembered that the Iranians have as much to lose in a conflict as the Arab Gulf states. They have to consider the risk that any dispute with a single Arab neighbor could be the catalyst for arousing all the Arab states.<sup>63</sup> The significance of this fact is the Iranians are limited to political rhetoric and military posturing unless they want to risk a war with all of the GCC states.

The Iranian Revolution was on-going when a group of radical Saudi Muslims seized the Grand Mosque in Mecca. Although there was no indication that this event had been backed or sanctioned by Iran it did allow the Iranian’s a propaganda opportunity to “export the revolution” and bring into question the legitimacy of the Saudi title as the Custodian of the Two Holy Mosques.<sup>64</sup> To compound the Saudi’s problems, the propaganda from these events undoubtedly inspired the Shia rebellion in the Eastern Region.<sup>65</sup> Because of these factors the effect of the Iranian Revolution had inadvertently

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<sup>62</sup>Robins, 57.

<sup>63</sup>Chubin and Tripp, 4.

<sup>64</sup>Ramazani and Kechichian, 6-7.

<sup>65</sup>Ibid.

found its way to Saudi Arabia. Subsequently this rebellion in the Eastern Region led other Gulf States to face the possible instability of their own Shia populations.<sup>66</sup>

The impact of the Iranian Revolution has grown over time. In 1993 the Saudis, in a bid to rein in Shia dissent in their Eastern Region, began to make concessions, albeit slowly. Through these political acts the Shia of this region had little reason to further political ties with Iran.<sup>67</sup> Robin Wright, in her work *The Last Great Revolution*, notes that the revolutionary fervor did indeed eventually wear off leaving most Iranians with little desire to continue “exporting the revolution.”<sup>68</sup> The authors of *Understanding Iran* continue this train of thought when they state that Iran has “largely failed” to export the revolution to its Arab neighbors.<sup>69</sup> This fact can also be evidenced by several organizations which have gone to great lengths to distance themselves from their benefactors including changing their organization’s name.<sup>70</sup>

The Shia in many parts of the Sunni Gulf, and certainly in Saudi Arabia, are discriminated against nearly as much as non-Muslims. Because of this the proverbial glass ceiling prevents the Shia from attaining status among the Sunni populace.<sup>71</sup> Robert Baer writes that Sunni Islam is “founded on victory and power,” but because of the

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<sup>66</sup>Robins, 57.

<sup>67</sup>Chubin and Tripp, 63.

<sup>68</sup>Wright, 85.

<sup>69</sup>Green, Wehrey, and Wolf, 34.

<sup>70</sup>Ibid.

<sup>71</sup>Vali Nasr, *The Shia Revival* (New York: W.W. Norton & Company, 2006), 93

Iranian Revolution and its effects on the Middle East the tide of power is now beginning to swing towards the Shia.<sup>72</sup>

### Sunni-Shia Strife

Sunni-Shia strife has been a long standing issue leading to discontent and discrimination throughout the Middle East. This issue is almost as old as Islam itself and dates back to the successors of the Prophet Mohammed. The tensions surrounding this touchy subject continue today and are important in order to understand the dynamics that make up the relationship between the Sunni-world leader (Kingdom of Saudi Arabia) and the Shia-world leader (Islamic Republic of Iran). Throughout the Gulf Arab world regimes such as Saudi Arabia indict the Shia populations as being part of a hidden Iranian plan.<sup>73</sup> The authors of *Understanding Iran* write that the Iranians are aware of these indictments and are careful not to provoke sectarian tensions.<sup>74</sup> There have, however, been numerous incidents of Shia demonstrating and rioting in various Gulf States. In 1981 a failed coup attempt in Bahrain as well as failed terror attempts in Kuwait in the early 1990s gave rise to a heightened fear of the region's Shia following the Revolution.<sup>75</sup> Although these attempts failed, it fueled Saudi fears of the Eastern Region Shia and their

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<sup>72</sup>Baer, 26.

<sup>73</sup>Nasr, 109.

<sup>74</sup>Green, Wehrey, and Wolf, 37.

<sup>75</sup>Nasr, 139.



potential for terrorism inside the oil fields.<sup>76</sup> This is, in fact, what happened in 1979 and 1980 when riots broke out.<sup>77</sup> The Saudi response to these riots and demonstrations was force; this would be the pattern of Saudi reprisals for years to come.<sup>78</sup>

Several Gulf Arab states used this strife as a tool in an attempt to counter Iran's growing influence.<sup>79</sup> Saudi Arabia in particular saw the reemergence of "old anti-Shia" information from many clerics.<sup>80</sup> This canon was a direct response to the fear of Gulf Shia serving Iran and bringing revolutionary ideas inside their borders.<sup>81</sup>

Wehrey writes that the Saudis were being challenged for the first time over "the symbolic leadership in the Middle East."<sup>82</sup> In response to this challenge the Saudis have attempted to present the Iranians as being a regional anomaly.<sup>83</sup> The Saudis also saw this as an opportunity to contain not only Shia in the Gulf, but also Iran in a regional context.<sup>84</sup> In the 1980s this new policy would eventually send many young Saudis to Afghanistan to participate in jihad against Soviet forces there.<sup>85</sup> Vali Nasr, faculty at the

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<sup>76</sup>Ibid.

<sup>77</sup>Ibid.

<sup>78</sup>Ibid.

<sup>79</sup>Green, Wehrey, and Wolf, 37.

<sup>80</sup>Ibid., 38.

<sup>81</sup>Wehrey et al., 32.

<sup>82</sup>Ibid., xi.

<sup>83</sup>Ibid.

<sup>84</sup>Nasr, 154.

<sup>85</sup>Ibid.

Naval Postgraduate School, explains the ultimate goal of the Saudis was to extend Sunni Islam to “Pakistan, Afghanistan, and into Central Asia” in a bid to isolate Iran.<sup>86</sup>

In an effort to downplay Iranian influence inside his country King Abdullah of Saudi Arabia stated that the tensions between Sunni and Shia were a “matter of concern, not a matter of danger.”<sup>87</sup> Iranian intentions of inflaming the Sunni-Shia strife have also changed over time. In *Troubled Waters* Michael Knight notes, “The 1990s saw a decline in overt Iranian military action and covert Iranian state sponsorship of dissent and terrorism in the Gulf.”<sup>88</sup>

#### Iranian Influence in Bahrain

Saudi Arabia not only has to contend with discontent among its own population, but must also be aware of instability in neighboring countries. Many of Saudi Arabia’s neighbors have sizable Shia populations including Kuwait, Bahrain, and the United Arab Emirates. The Shia populations among these countries freely travel and communicate with Shia around the Gulf. The concern for the Saudis is that discontent in a neighboring country can quickly spread and become enlarged within its own borders.

Of all the Arab Gulf states Bahrain is perhaps the most vulnerable to Iranian influence. Its small population is predominately Shia, yet the al-Khalifa ruling family is Sunni. Baer in *The Devil We Know* states, “the consensus in the Persian Gulf is that the

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<sup>86</sup>Ibid.

<sup>87</sup>Ibid., 7.

<sup>88</sup>Knights, 53.

first Arab sheikdom to fall will be Bahrain, with a tap by Iran.”<sup>89</sup> The history of Shia discontent in Bahrain appears to confirm this. Bahraini security forces prevented a coup in 1996 stating that Lebanese Hezbollah and the Iranian Revolutionary Guard Corps (IRGC) trained the individuals involved.<sup>90</sup> Daniel L. Byman and Jerrold Green sum it up when they write “Iran has encouraged radicalism and has tried to organize opposition groups capable of using violence.”<sup>91</sup> The Iranians additionally employ media tactics in Bahrain to arouse Shia discontent. In 2007 Ayatollah Ali Khomeini stated, “The public demand in Bahrain is the reunification of this province with the motherland, Islamic Iran.”<sup>92</sup> Historically Bahrain was part of Iran and as recently as 2008 the Iranians have reasserted this claim. As a counter-point the regime in Bahrain typically likes to depict any Shia led political reform movement as being backed by the Iranians.<sup>93</sup> This has been, and is likely to continue to be, a venue the Iranians will pursue; a forceful media campaign to inspire Bahraini Shia to overthrow their government. Iran’s long term goal through these efforts is to establish a group that could become a political entity with the ability to establish a government sympathetic to Iran.<sup>94</sup>

Events such as this are clearly distressing for the Saudis. Discontent in Bahrain can quickly spread to the Eastern Region of Saudi Arabia, only a short drive across the

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<sup>89</sup>Baer, 148.

<sup>90</sup>Wehrey et al., 19.

<sup>91</sup>Byman and Green, 47.

<sup>92</sup>Baer, 149.

<sup>93</sup>Green, Wehrey, and Wolf, 37.

<sup>94</sup>Byman and Green, 63.

causeway bridge that separates the two countries. History has also shown that discontent in Bahrain mirrors that of the Shia in the Eastern Region, however, the Saudis have been more effective in preventing widespread unrest.<sup>95</sup> Having problems with Shia in their own country, the Saudis have kept vigil on the level of unrest in Bahrain and on occasion have been prepared to intervene. In 1995 they did just that and readied units of the Saudi National Guard. They warned the Bahrainis to regain control or they would; and further warned the Iranians to stop meddling in Bahraini affairs.<sup>96</sup>

### Undermining Saudi Prestige

The Iranians understand the consequences of a military confrontation and are becoming more involved in other ways at undermining Saudi prestige, not only in the Middle East but in the greater Muslim world. One of the key tenets to this Iranian policy is undermining the Saudi position and credibility that come with being an ardent supporter regarding the Palestinian people. Saudi failure and Iranian success on the Palestinian issue would be a huge blow to the former's psyche.

The Iranians have proven themselves at being adept in exploiting fractures in other nation's foreign policies. One fracture of importance is the above mentioned support for the Palestinians. Being the Palestinians largest financiers has given the Saudis a sense of pride. The Palestinian issue had originally been the exclusive arena of the Saudis and other Arab states. However, the Iranians saw this issue as an opportunity to gain credibility and to diminish that of the Saudis. Baer wrote to that effect in, *The Devil*

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<sup>95</sup>Chubin and Tripp, 34.

<sup>96</sup>Pollack, 281.

*We Know*, stating “winning over Hamas would be tantamount to winning Gaza.”<sup>97</sup> This Iranian policy reached not only into Gaza, but also Lebanon, their role would play a part in the contest for influence among the world’s Muslims.<sup>98</sup> In so doing the Iranians not only exhibited the ability to influence the Gulf Shia, but also the attitudes and following of Muslims all over the world.

In 2006 Iranian backed Hezbollah supported Lebanese forces and defeated the seemingly invincible Israeli Defense Force.<sup>99</sup> This single act has done immeasurable harm to the credibility of the Arab Gulf states, in particularly Saudi Arabia, who have always voiced opposition to the Israelis.<sup>100</sup> The loss of credibility comes from the fact that it was Iranian Shia support that led to this victory and not the Sunni Arab support. Baer again writes that the Arab world saw the level of Iranian support which was followed by the question, where are the Saudis?<sup>101</sup> In effect the Iranians had turned southern Lebanon into a proxy state.

### Challenges to Saudi Religious Authority

The Iranians, by the very tenets of their Revolution, challenge the authority the Saudis claim as Custodian of the Two Holy Mosques at Mecca and Medina. From this title, and the associated responsibilities, comes the leadership of Islam. The worst

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<sup>97</sup>Baer, 172.

<sup>98</sup>Chubin and Tripp, *Iran-Saudi Arabia Relations*, 15.

<sup>99</sup>Wehrey et al., xv.

<sup>100</sup>*Ibid.*

<sup>101</sup>Baer, 173.

possible outcome for the Saudis would be a loss of credibility in the Muslim world and a trend in Sunni to Shia conversions.

The Iranian endeavor to undermine this credibility and thus reinforce their own would be a windfall in the eyes of the Gulf Shia. The Iranians did not limit themselves to Muslims within Gulf States alone; they attacked the Saudis at the very heart of Islam. The Iranian Revolution attacks this through its idea of a “universal Islamic authority.”<sup>102</sup> Because of this the authors of *Saudi-Iranian Relations* state that one of the Revolution’s key tenets “rejects the kinds of monarchial regimes seen in Saudi Arabia and other Arab states.”<sup>103</sup> This ideology attacks the source of power and legitimacy of the Saudis and will continue to be a source of friction between the two countries into the future.

#### Hezbollah and Militancy

The IRGC sanctions the group known as Hezbollah. It is this group that was responsible for the suicide bombing attack on the Marine Corps barracks in Beirut, Lebanon (1983) and the attack on the U.S. Air Force barracks at Khobar Towers (1996). It is also the group that entered Lebanon and fought with local Lebanese forces that defeated the Israelis for the first time in 2006 as mentioned earlier. Hezbollah was effective in preparing the Lebanese forces with modern weapons, tactics, and training. This is an extremely dangerous group that Iran uses as an extension of its foreign policy. Because of its success in supporting violent extremist groups Hezbollah will continue to be a weapon in the Iranian arsenal.

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<sup>102</sup>Chubin and Tripp, 173.

<sup>103</sup>Wehrey et al., x.

Saudi Arabia is a country beset with extremist groups such as al Qaeda. While al Qaeda has possibly conducted more attacks on Saudi soil than any other group and certainly poses a serious threat, it is the Shia extremist that pose a greater hidden threat. It is well within the realm of possibility that the Shia residing in the Eastern Region could be led to secede from Saudi Arabia. On a much larger scale the Shia of Saudi Arabia, Bahrain, Iraq, and Kuwait could unite and potentially threaten the stability of the whole region.<sup>104</sup>

Byman and Green have listed the reasons why Iran uses violence to further their gains, “(1) to build up a local group to act as its proxy, (2) to assassinate regime opponents, (3) to press rival governments, and (4) to enhance its claim to be the vanguard of the Islamic Revolution.”<sup>105</sup> The Iranian Revolution had the potential to instigate militant movements among the Shia populations of the Arab nations.<sup>106</sup> These violent actions started immediately after the Revolution in 1979 when they assisted the Shia in the Eastern Region.<sup>107</sup> These attacks have continued across the gulf focusing mostly on Saudi Arabia, Bahrain, and Kuwait. In 1992 Iran, because of its Revolutionary tenets, thought that it was heading for an inevitable confrontation with Riyadh.<sup>108</sup> Also because

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<sup>104</sup>Mahmoud Fandy, *Saudi Arabia and the Politics of Dissent* (New York: St. Martin’s Press, 1999), 227.

<sup>105</sup>Byman and Green, 61-62.

<sup>106</sup>Chubin and Tripp, 15.

<sup>107</sup>Pollack, 198.

<sup>108</sup>Joseph A. Kechinian, *Political Dynamics and Security in the Arabian Peninsula Through the 1990s* (Santa Monica: RAND Corporation, 1993), 58.

of these tenets Iranian backed Hezbollah planned to exploit its ties with Gulf Shia populations.<sup>109</sup>

These Shia organizations were the basis for many terror attacks throughout the Gulf including the U.S. Embassy bombing in Kuwait during that time.<sup>110</sup> Robins supports this assertion when he writes:

apart from the abortive coup in Bahrain in 1981, some disturbances in the eastern province of Saudi Arabia in the aftermath of the Iranian Revolution, and the periodic, but often minor, bomb attacks in Kuwait, the extent of the Shia challenge to the ruling Sunni regimes in the Gulf states has been limited.<sup>111</sup>

The following is a partial list of dissent conducted by Saudi Shia starting before the Iranian Revolution and ending with the 1996 attack on the Khobar Towers.

1. 1970: Shiites in the town of Qatif, Eastern Province, riot and demand more shares in the oil revenues. The town is sealed for months.
2. 1978: Shiites protest again in the city of Qatif. The Saudi National Guard is mobilized. As many as 50 are arrested and some are executed.
3. November 20, 1979: About 200-500 armed Sunni extremists, led by Juhaiman al-Utaibi, seize control of the Grand Mosque in Mecca.
4. December 3-5, 1979: Shiites in Qatif riot in support of the Iranian revolution and demanding a higher share of the oil revenues. The Saudi National Guard are mobilized, they clash with protesters, and at least five people are killed.
5. July 31, 1987: Iranian pilgrims riot and protest against the Saudi authorities. As many as 402 get killed during those riots.
6. August 1, 1987: Iranians attack the Saudi and Kuwaiti embassies in Tehran as a response to the riots in Mecca.
7. August 25, 1987: The Saudi government denounces the Iranian government as terrorists for causing the riots in Mecca
8. 1988 and 1989: A Shiite militants group, which will be called Saudi Hezbollah, takes credit for bombing oil and petrochemical installations and for assassinations of Saudi diplomats in Ankara, Bangkok, and Karachi
9. September 1989: Sixteen Shiites, Kuwaiti national, are executed for their involvement in the explosions in Mecca

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<sup>109</sup>Byman and Green, 52.

<sup>110</sup>Ibid., 60.

<sup>111</sup>Robins, 15.



10. June 25, 1996: Truck containing about 5,000 pounds of fuel and explosives targets the U.S. military compound near King Abdul Aziz Air Base, in the city of Khobar, the Eastern Province. There are 19 deaths and about 500 injuries.<sup>112</sup>

In 1996, perhaps the best well known attack was that made by Saudi Hezbollah on the U.S. Air Force Barracks at Khobar Towers in Saudi Arabia.<sup>113</sup> According to Kenneth Pollack the Saudis are quite capable of handling internal dissidence when they need to as evidenced by their reaction after the Khobar Tower bombings where they quickly detained members of the cell responsible.<sup>114</sup> The attacks in Saudi Arabia have largely stopped after Iranian backing was tied to the attacks.<sup>115</sup>

#### Arab Support for Iran

The Iranians have also been quite successful in summoning Arab support on their behalf. This support is viewed in the eyes of the Saudis as a shift from their own support to the Iranians. This is another Iranian tool to improve their credibility, at the detriment of Saudi Arabia. Iran's President Mahmoud Ahmadinejad has proven so effective at reaching out to the smaller GCC countries, the Gulf Shia, and other Arabs that he is one of the most popular figures in the Middle East. A 2006 post Israel-Lebanese war poll conducted in Egypt found that the two most popular leaders in the region were Hassan Nasrallah (Lebanese Hezbollah) and Iran's President Ahmadinejad.<sup>116</sup> This came as a

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<sup>112</sup>Cordesman and Obaid, 265-267.

<sup>113</sup>Knights, 79.

<sup>114</sup>Pollack, 283.

<sup>115</sup>Cordesman and Obaid, 285.

<sup>116</sup>Green, Wehrey, and Wolf, 26.

surprise to the Saudis who were now beginning to realize that their prestige was beginning to ebb. When Ahmadinejad recently delivered a speech at a Dubai stadium he was able to exhort the crowd to chant, “Down with America!”<sup>117</sup>

These points highlight the erosion of Saudi influence throughout the greater Middle East region. Although Iranian activities within Saudi Arabia have diminished it still retains the capability to coerce Shia groups and employ asymmetric techniques to further its gains.<sup>118</sup> Through it Iran has continued to provide support to Gulf Shia and extend its sphere of influence, all the while rebuilding its military from the shambles of the Iran-Iraq war.

With Iranian backed Hezbollah reducing its footprint in Saudi Arabia it would be logical to assume that it is continuing to pursue foreign policy objectives, but using different means. The new technique replacing Hezbollah backed cells is what has come to be known as the Arab Street Strategy. This is the technique that Iran uses to speak directly to the Arab populations of the Gulf region which is an attempt to undermine the Arab regimes legitimacy by gaining support from Arab populations.<sup>119</sup> This goal is met by highlighting the plight of the Palestinian people, a growing Western presence in the region, and Iran’s own defiance over the nuclear issue.<sup>120</sup> This new strategy, combined

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<sup>117</sup>Wehrey et al., 59.

<sup>118</sup>Knights, 75.

<sup>119</sup>Wehrey et al., 3.

<sup>120</sup>Green, Wehrey, and Wolf, 21-22.

with its desire to better relations with the smaller Arab Gulf states, seeks the Iranian realization of becoming the regional hegemony.<sup>121</sup>

Wehrey notes that it is possible that the al-Saud ruling family in Saudi Arabia is over-emphasizing the Shia-Iran link and has a much more deep set fear of Iran's growing threat to their legitimacy because of the Arab Street Strategy.<sup>122</sup> Wehrey interviewed numerous Shia in the Eastern Region of Saudi Arabia and concluded that "sentiments are best characterized as spiritual and emotional affinity for Iran as a Shia state, rather than admiration for its political ideology or regime."<sup>123</sup> While this seemingly downplays the significance of Iran in the internal affairs of Saudi Arabia the Saudi rulers are not so quick to dispel them.

Byman and Green note that because the Saudi Ministry of Interior has improved its anti-terror capabilities, as illustrated by their actions following the 1996 Khobar Tower bombing, that for any political opposition to survive its leaders would have to "go underground or organize overseas."<sup>124</sup>

#### Iranian Interference with Oil Exports and Economy

The Iranians have become aware of their technological deficiency and have explored asymmetric options as a counter. These options are not only for use in a conventional military setting, but can also be used to influence the policies of its

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<sup>121</sup>Wehrey et al., 47-48.

<sup>122</sup>Ibid., 96.

<sup>123</sup>Ibid., 31.

<sup>124</sup>Byman and Green, 48.

neighbors, particularly Saudi Arabia. It is here that Iran has the ability to inflict considerable damage with minimal reprisal.

One of the many challenges confronted by Saudi Arabia is how to maintain a continual flow of oil exports during possible future crises. During the 1980-1988 Iran-Iraq war construction on an oil pipeline stretching from the Gulf to the Red Sea began. However effective this pipeline may be it is unlikely that it would be able to make up for the shortfalls in oil exports via tanker traffic.<sup>125</sup> Saudi oil fields are, for the most part, located in the Shia dominated Eastern Region including the Abqaiq gas-oil separation plant, which provides two-thirds of export capability for the country.<sup>126</sup> This vulnerability has not gone unnoticed by the Saudis and in recent years have given the mission of securing these sites to the Saudi Arabian National Guard.

#### The Strait of Hormuz

Iran possesses the ability to close the Strait of Hormuz and hit at the heart of Saudi oil exports. Following the Iran-Iraq Tanker Wars, Hassan al-Alkim predicted, “no combination of attacks by aircraft, missiles, mines, submarines, and naval special-warfare forces could close the Gulf to all shipping for a sustained period.”<sup>127</sup> However accurate this statement may have been in the 1990s new Iranian technology combined with new doctrine are likely to cause this philosophy to be outdated. To bolster their ability to control the Strait the Iranians have purchased advanced naval weaponry including Kilo-

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<sup>125</sup>Knights, 70.

<sup>126</sup>Ibid., 38.

<sup>127</sup>Knights, 69.

class submarines from Russia, Silkworm anti-shipping missiles from China, and a myriad of anti-ship mines.<sup>128</sup> Al-Alkim further states that “U.S. military documents suggest that Iran would need to deploy 2000 to 3000 mines to constrain movement severely in the shipping channels of the Straits of Hormuz.”<sup>129</sup> Whether or not the Strait can be closed, the economic effect of such a move would be felt immediately around the world as the price of oil skyrocketed.

While Iran does possess a more robust naval force now than during the Iran-Iraq war, it is not likely that it will try to close the Strait of Hormuz or attack Gulf shipping. The Iranians have as much to lose as the other Gulf states if the Strait is closed as almost all of their exports go through it.<sup>130</sup> This is much more likely to be a deterrent capability as demonstrated in Hashemi-Rafsanjani’s speech in 1983:

We will block the Strait of Hormuz when we cannot export oil. Even if they (the Iraqis) hit half our oil, it will not be in our interest to block the Strait of Hormuz. When we do not have oil, when we are unable to export oil, the Persian Gulf will be no use to us since we will have no money, and the Strait of Hormuz will be of no use to us. That is when we will enter the arena and do what we like, although I consider such an eventuality to be very unlikely.<sup>131</sup>

As with closing the Strait of Hormuz, attacks on Gulf tanker shipping are likely to be a means of last resort.<sup>132</sup> Historically the Iranians have never attempted to close the Straits, but have limited themselves to anti-tanker shipping attacks as during the Iran-Iraq

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<sup>128</sup>al-Alkim, 69, 164.

<sup>129</sup>Ibid., 71.

<sup>130</sup>Ibid., 69.

<sup>131</sup>Ramazani and Kechichian, 121.

<sup>132</sup>al-Shayji, 69.

war. These attacks were made not only against Iraq but also neighboring Gulf countries. They were intended for these countries to halt their funding to Iraq. These actions indicate that Iran is capable of attacking targets in states that are not directly involved in a military confrontation, but merely associated with an enemy nation. The Iranian mood towards the Saudis at the time can be summed up by Ayatollah Khomeini when he said “one day he might forgive Saddam Hussein for the war with Iran, but he would never forgive the Saudis for their role of aiding and supporting the Iraqis.”<sup>133</sup>

Therefore, while Iran is growing its capability to attack Gulf tanker shipping and close the Strait of Hormuz, it is unlikely that it will fully act upon these threats. Although Iranian military action taken against Gulf shipping is unlikely a threat continues and will, therefore, be an enduring problem for the Saudi government. However, threats of such actions still have the ability to influence the GCC states; it is through these fears and increased operating costs that the Iranians will cause damage.<sup>134</sup>

### Iranian Military Threat

#### Iranian Foreign Policy

To truly understand how Iran’s military could affect the Saudis we must first examine its history of foreign policy as well as the role of the Supreme Leader. The Iranian Revolution was led by Grand Ayatollah Ruhollah Khomeini. After his death he was succeeded by Ayatollah Ali Khamenei. While Ayatollah Ali Khamenei does not have the religious credentials or the charisma of his predecessor he has been very

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<sup>133</sup>Ibid., 225.

<sup>134</sup>Knights, 70.

consistent in his vision for Iran.<sup>135</sup> The tenets of this vision and how it relates to the rest of the world can be summed up by brief words: justice, Islam, independence, and self-sufficiency.<sup>136</sup> While the Supreme Leader can be regarded as consistent in his views Iran also has elected leaders who often lead to unpredictable policies.<sup>137</sup> It is often the elected officials that become the center piece for Iranian foreign affairs. This can be illustrated when Mohammad Khatami expressed a desire to enter into a defense accord with Saudi Arabia.<sup>138</sup> Although Saudi Arabia rejected this notion it gives some insight into the unpredictable inner workings of Iran's foreign policy decision makers and religious leaders. Between the 1991 Gulf War and the beginning of Operation Iraqi Freedom in 2003 the Iranians made numerous attempts to strengthen ties with Gulf States only to be repeatedly blocked by Saudi diplomatic efforts.<sup>139</sup> During this time period the Iranians were effectively reducing their attempts to undermine Saudi legitimacy and were working towards improved relations with the Kingdom.<sup>140</sup> However it must be remembered that this period was also when Saudi Hezbollah, an Iranian backed organization, attacked the U.S. Air Force Barracks at Khobar Towers. Many believe these attempts to improve

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<sup>135</sup>Green, Wehrey, and Wolf, 6.

<sup>136</sup>Ibid., 9.

<sup>137</sup>Chubin and Tripp, 5.

<sup>138</sup>Loftian, 126-127.

<sup>139</sup>Chubin and Tripp, 13.

<sup>140</sup>Ibid., 18.

relations are because Iran came to the realization that their own actions had been the true cause for regional isolation and not in fact a greater Arab coalition.<sup>141</sup>

The dominant goal for Iran is to become the regional hegemon. To do this it has had to modify its foreign policies slightly out of fear of U.S. reprisals on behalf of their Arab allies. The Iranians altered their policies after seeing the U.S. intervention in the Tanker Wars, the first Gulf War, and the recent invasion and occupation of Iraq.<sup>142</sup>

However, true this might be, the question now becomes what will happen after the U.S. eventually withdraws its troops from Iraq. The Iranians have had an interest in seeing to it that the post-Saddam Hussein Iraq becomes pro-Iranian and they have invested heavily into organizations such as the Shia Mahdi Militia under the direction of Muqtada al-Sadr. The prospect of a U.S. withdrawal from Iraq has implications for Saudi Arabia that will take years to unfold. These fears can be easily ascertained by the thought of no longer having a Sunni government acting as a buffer between Iran and Saudi Arabia. Iraq under Saddam Hussein had provided this buffer until 2003. Although Hussein was a threat before and after the 1990-1991 Gulf War, Iraq was still a Sunni ruled country and, therefore, seen as a layer of protection against Iran. While the prospect for an overland invasion marginally increases, perhaps more important is having a Shiite led republic on its northern border. The Saudis for their part are fearful of the eventual U.S. withdrawal and the possibility of a civil war and its ensuing chaos spilling over into

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<sup>141</sup>Ibid.

<sup>142</sup>Ibid., 299.



its borders. A Shia governed Iraq would pose a serious threat to the stability and future of Saudi Arabia.<sup>143</sup>

### Military Comparison

The Saudis have, by far, out-spent all other GCC countries and Iran on military hardware. So great is the fear of a military confrontation with a neighboring state that the Saudis do not rely on any one nation to provide its military needs. Instead, they spread its acquisitions across numerous Western countries in the event that any one country stops its support of weapons sales it will not be a total loss. The three largest suppliers of military hardware are the United States, Great Britain, and France.

The Saudis and their GCC allies are greatly outnumbered in terms of manpower. They will attempt to counter this through technology purchased from the countries above. Also their military doctrine calls for assistance from the United States. Without the United States military it is doubtful that Saudi Arabia, even with the GCC states, could defeat an overland invasion by the Iranians.

In *The Future of the Gulf: Politics and Oil in the 1990s*, Robins states, “there is no longer the possibility of a military breakthrough by Iran threatening the Sunni regimes of the Arab Gulf.”<sup>144</sup> This now contrasts with the Saudi concerns about Iranian interference in Iraq. With a Shia controlled government in Iraq, Saudi Arabia is becoming increasingly suspicious of Iranian motives and continues to fear an overland invasion through Kuwait.

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<sup>143</sup>Baer, 25.

<sup>144</sup>Robins, 68.

The thirty years after the Revolution have seen a dramatic shift in weapons and doctrine for the Iranian military. It is no longer the army that Saddam Hussein fought in the 1980s; it is now a well equipped force with greater capabilities. Baer writes that in 2006 the Iranians spent 2.5 percent of their Gross Domestic Product on military sales, one quarter what the Saudis spent, from Russia and China.<sup>145</sup> These military sales have been in advanced weaponry such as laser guided munitions, anti-shipping missiles, and advanced air to air missiles.<sup>146</sup> The most likely conventional military threat posed to the Gulf States by Iran is expected to be one of aerial and/or missile attacks.<sup>147</sup> The Iranians built a new air force instead of rebuilding the shattered remains of what was left after the Iran-Iraq war.<sup>148</sup> It is this type of threat that Saudi Arabia and the other Gulf states are best equipped and prepared to deal with.<sup>149</sup>

Unlike its Arab neighbors the Iranian military places great emphasis on junior leader development and tough realistic training to hone their skills.<sup>150</sup> The Iranians have even advanced their training at the operational level by conducting joint command and control.<sup>151</sup> With these advances made in their military structure, junior leader

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<sup>145</sup>Baer, 100.

<sup>146</sup>Knights, 62.

<sup>147</sup>Ibid., 130.

<sup>148</sup>Lotfian, 121.

<sup>149</sup>Ibid.

<sup>150</sup>Knights, 60.

<sup>151</sup>Ibid.

development, operational doctrine, and training exercises they pose a serious challenge to the centralized command and control system of the Saudis.

While the Iranians are clearly closing the technological gap with their Arab neighbors they are very aware that, while they have been purchasing weaponry from Russia and China, its Arab neighbors have been able to purchase the most advanced western weaponry available.<sup>152</sup> The Iranians would be able to make up for their lack of technological equipment with sheer numbers, they have the capability to put over one million soldiers in uniform and are by far the largest military in the region followed by Saudi Arabia at a quarter the size.<sup>153</sup>

However, advanced the Iranian training and doctrine development may be it still clearly lack a technological edge over the Saudis. The Saudis, for example, have an integrated air defense network comprised of Airborne Warning and Control (AWACs), Patriot missiles, and F-15 fighters. The Saudis have invested billions into their land forces as well with systems such as the M1 Abrams tank and the Light Armored Vehicle (LAV). Yet the Iranians have learned how to beat technologically superior adversaries as Hezbollah did in Lebanon against the Israelis. They have applied these lessons learned to their tactics in the Gulf. The Iranian military's best feature is its ability to think outside the box in terms of asymmetric warfare.<sup>154</sup>

However, the asymmetric capability discussed here will exclude those of Hezbollah and will focus on the Iranian regular military forces and those of the IRGC.

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<sup>152</sup>Green, Wehrey, and Wolf, 77.

<sup>153</sup>Ibid., 137.

<sup>154</sup>Ibid., 82.

The Iranians have attempted to compensate for their lack of technological forces by maintaining a powerful image. To do this they have planned extensively for the use of sea mines, anti-shiping missiles, and a form of naval warfare that has come to be known as swarm boats.<sup>155</sup> Pollack supports this assertion by claiming that “Iranians began to use small boats equipped with anti-ship or antitank missiles. They also fitted other small boats as suicide craft.”<sup>156</sup> It is this capability of unconventional naval warfare matched with conventional difficult to detect and sweep mines that give the Iranians the ability to terrorize.<sup>157</sup> These swarm boats, with or without anti-ship missiles have become a serious threat even for technologically superior and well trained naval forces such as those of the United States. The phrase “naval equivalent of guerrilla warfare” was first coined by Cordesman and Abraham Wagner and supports the notion that the Iranians will leverage all possible means to counter Saudi and GCC naval technological advantages.<sup>158</sup> According to Baer the U.S. Navy conducted simulations in which the Iranian tactics were successful enough to sink a total of sixteen ships.<sup>159</sup> These tactics were not limited to any one form of warfare, but were a compilation of swarm boats, sea mines, and missile attacks.<sup>160</sup>

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<sup>155</sup>Cordesman and Obaid, 41.

<sup>156</sup>Pollack, 224.

<sup>157</sup>Cordesman and Obaid, 48.

<sup>158</sup>Pollack, 225.

<sup>159</sup>Baer, 104.

<sup>160</sup>Ibid.

Iran's theory concerning the military and how it will be integrated as an element of national power traces its origin to the Iran-Iraq war. It was during this war that Iran realized that it could not protect its citizens from Iraqi SCUD missile attacks and that its air and sea forces were unable to effectively protect its own tanker traffic during the Tanker War.<sup>161</sup> Because of these failures and the likelihood that they could be repeated in a confrontation with Saudi Arabia, the Iranians have adopted a three part deterrence: (1) terrorism, (2) anti-shipping attacks, and (3) air/missile attacks on strategic targets.<sup>162</sup> It is this reason, and this reason alone, that Iran has placed so much emphasis on upgrading its military.<sup>163</sup> This deterrence can be achieved in what Knights describes as one of two models "punishment or denial."<sup>164</sup> Cordesman and Obaid state that "wars of intimidation will generally offer Iran more prospects of success than actual fighting."<sup>165</sup> Because of this intimidation Iran does not have to attack or invade Saudi Arabia or the other Gulf states to control the region, and its oil.<sup>166</sup>

### Summary

It is evident that Iran has been, and still continues to undergo, a process to improve the capabilities of its military both technologically and qualitatively. While it is continuing to seek foreign military sales it is also attempting to expand its own

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<sup>161</sup>Knights, 56.

<sup>162</sup>Ibid.

<sup>163</sup>Lotfian, 126.

<sup>164</sup>Knights, 56.

<sup>165</sup>Cordesman and Obaid, 326.

<sup>166</sup>Baer, 139.

manufacturing capabilities. These combined efforts will meet Ayatollah Ali Khamenei's goal of being self-sufficient in terms of military power. The military has also evolved in terms of how it fits into the revised Iranian elements of national power. The combined military forces of Iran, while capable, large, and potent, are used more in a deterrence role than for actual confrontation. It can also be understood from an analysis that the most likely conventional threat Iran will pose to Saudi Arabia and the other Gulf states is that of an air or missile attack.

This analysis has explored the possibility of an Iranian backed organization or asymmetric warfare unit attacking the Saudi oil infrastructure including the means to ship it. This is a plausible path the Iranians might be willing to take as most of the oil producing regions in Saudi Arabia are located in the Shia dominated Eastern Region which has a history of discontent. It is unlikely, however, that any such attempts will have a lasting effect on the Saudis as oil producing and processing sites are heavily guarded by the Saudi Arabian National Guard and Ministry of Interior forces, and have been able to deter potential threats.

This chapter has examined Iranian sponsored political instability in Saudi Arabia. The aspects of Iranian influence in neighboring countries, attacks on Saudi legitimacy, Sunni-Shia strife, impacts of the Iranian Revolution, Hezbollah, and Arab support for Iran has been studied. In summary the Iranians have moved away from violence in the Gulf Region and have adopted an aggressive media campaign. They continue to do so in attempts to undermine Sunni regimes and further their goal of becoming the regional superpower.

In conclusion, the Iranians use political instability, threats to the Gulf economy, and military power as an extension of their foreign policy. They use political instability to foster governments either sympathetic to Iran or willing to acquiesce to them. Economic threats and military power are used as a deterrent. Iran will be patient using these three facets until its ultimate goal is realized, becoming the regional superpower.

## CHAPTER 5

### CONCLUSIONS AND RECOMMENDATIONS

*Me and my brother against my cousin,  
Me and my cousin against the world.  
-- Arab proverb*

#### Introduction

Since the 1979 Iranian Revolution Saudi Arabia has feared the spread of its ideologies and the notion of a Shia Republic. Saudi Arabia, as the dominant Sunni Arab state in the region, has assumed the role of leading Gulf countries in controlling the influence of their northern neighbor, Iran. This thesis sought to answer one primary question: specifically what type of threat does Iran pose to the Kingdom of Saudi Arabia and how will the Saudis respond to it? Additionally secondary questions need to be answered. How Iran might threaten the Kingdom's economic structure and if so how will the Saudis deal with it? Lastly, how effective will Iran effect the Kingdom's political stability by influencing the Shia and to what magnitude will the Saudis respond?

This chapter will review my findings. A review will explain what the results mean and their implications. Following this will be recommendations for further research associated with this thesis. Lastly, the chapter will provide summary and conclusions.

#### Brief Summary of Findings from Chapter 4

Chapter 4 was organized by categorizing information into three components, Iranian: (1) political instability, (2) economic threat, and (3) military comparison with Saudi Arabia. While each component had unique and distinct traits they are intertwined. For example, the possibility of a Hezbollah backed cell attacking a Saudi oil terminal.



This illustrates how the political instability component can be directly related to an economic threat component. The following will summarize the components so they can be interpreted and their impact understood.

Possible political instability in Saudi Arabia has many sources, but this thesis examined those that relate directly to Iran. Research has suggested they are: (1) Iranian Revolution, (2) Sunni-Shia Strife, (3) Iranian influence in Bahrain, (4) Saudi prestige, (5) challenges to Saudi religious authority, (6) Hezbollah, and (7) Arab support for Iran. All of these areas are necessary to understand how Iran has historically attempted to exert influence inside Saudi Arabia, attack the image of the ruling family, and its neighboring countries. Frederic Wehrey stated that the Iranian Revolution posed an “ideological and asymmetric” threat not only to Saudi Arabia, but to all Gulf States.<sup>167</sup> These tactics have caused an equal amount of tension as a “conventional military attack for the Saudis.”<sup>168</sup> This threat and its associated fear was that the Gulf Shia would become emboldened by the Iranians and seek their own revolution in their respective Sunni States. Iran’s long term goal through these efforts was an attempt to create sympathetic political entities.<sup>169</sup>

The Iranians have been most effective with this in countries neighboring Saudi Arabia. Bahrain has historically dealt with these Iranian efforts and continues to do so. It is a belief among many regional experts that Bahrain will be the first Arab Sheikdom to fall “with a tap by Iran.”<sup>170</sup> The Bahrainis continue to deal with media releases from

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<sup>167</sup>Wehrey et al., 6.

<sup>168</sup>Ibid.

<sup>169</sup>Byman and Green, 63.

<sup>170</sup>Baer, 148.

Iranian leaders, such as the 2007 statement from Ayatollah Ali Khomeini declaring that Bahrainis want to return to its motherland, Islamic Iran.<sup>171</sup> This is one of the many venues the Iranians have exploited and are likely to continue, a forceful media effort to inspire Bahrainis to overthrow their government. Discontent in neighboring countries can quickly spread to Saudi Arabia as all Gulf Cooperative Council (GCC) countries allow their citizens to travel easily across each others borders. The Iranians have also been very effective at attacking Saudi Arabia using the Palestinian issue.

Support for the Palestinians and Lebanese has been a great source of pride for the Arab states and has come largely from Saudi Arabia. The Iranians, through Hezbollah, have been effective at eroding this pride by more effectively supporting the Lebanese. In 2006 Hezbollah support to the Lebanese resulted in the first Israeli defeat.<sup>172</sup> This was the first time the best military in the region was defeated and the fact that it was Iranian Shia instead of Arab Sunni support was not overlooked.

Daniel L. Byman and Jerrold Green have listed the reasons why Iran uses violence. They are: “(1) to build up a local group to act as a proxy, (2) to assassinate regime opponents, (3) to press rival governments, and (4) to enhance its claim to be the vanguard of the Islamic Revolution.”<sup>173</sup>

The Iranians have also been successful in garnering Arab support. This will mean a shift from supporting the Saudis to the Iranians. The latter’s goal is to increase support from Arab populations, both Sunni and Shia. This goal is reached by highlighting the

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<sup>171</sup>Ibid., 149.

<sup>172</sup>Wehrey et al., xv.

<sup>173</sup>Byman and Green, 61-62.

plight of the Palestinians, a growing Western presence in the region, and Iran's defiance of the west, specifically the U.S., over the nuclear issue.<sup>174</sup> In summary the Iranians use political instability as a means to further their foreign policy. This can be achieved by using dissent to challenge a government, a terrorist strike to deter an opponent, and attempting to establish governments that are sympathetic.

This thesis looks at how Iran might threaten the Saudi petroleum economy. The Saudi economy can be imperiled by the threat of attacking tanker traffic in the Gulf, closing the Strait of Hormuz, and attacking critical Saudi infrastructure such as oil terminals. The Iranians have a history of attacking Gulf shipping starting in the 1980-1988 Iran-Iraq War. These attacks were not limited to Iraqi registered vessels, but also to Gulf States supporting Iraq such as Kuwait.

The Iranians have threatened to close the Strait of Hormuz as well. It is through this narrow Strait that much of the world's oil supply passes. The immediate impact of such an action would be to send oil prices to unprecedented highs on the world exchanges. However, it is unlikely that the Iranians would actually close the Strait. They would suffer as much as the rest of the Gulf countries from such a move and only use it as a measure of last resort.

Dissent within the Eastern Region Shia provides a venue for the Iranians to attack this infrastructure with some measure of deniability. Fomenting political dissent in this oil rich region could be as devastating as any military attack. Because of this Iran has the ability to impact the Saudi oil economy not only through military threats, but also by creating political instability in the Kingdom.

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<sup>174</sup>Green, Wehrey, and Wolf, 21-22.

The last component of this thesis is a military comparison of Iran and Saudi Arabia. Both countries possess large militaries in a regional context and continue to procure more advanced weapons. The Saudis have by far out-spent all other GCC countries and Iran in the purchases of military hardware. The Saudis and the GCC States are greatly outnumbered in manpower by Iran. They have attempted to counter this through advanced weapons technology purchased from western nations such as France, Great Britain, and the United States. The Iranians are capable of fielding the largest force in the region and have purchased advanced anti-shipping missiles, submarines, and sea-mines from countries such as Russia and China.<sup>175</sup> The most likely conventional military threat Iran poses to Saudi Arabia is aerial and/or missile attacks.<sup>176</sup> Both are the types of threat that Saudi Arabia is best prepared to defend against.

The Iranians, however, have advanced their training at the operational level by conducting joint command and control exercises. With advances made in their military structure, junior leader development, operational doctrine, and training exercises they have the ability to challenge the centralized command and control system of the Saudis. Even with the advances made by Iran's military it still continues to refine its capabilities to conduct asymmetric attacks. It has learned that asymmetric tactics coupled with highly technical conventional weapons can defeat a better equipped force as seen in the 2006 Israeli-Lebanese war. Purchases in advanced anti-shipping missiles, mines, and submarines are substantial, but their developments of swarm boat tactics provide an equally dangerous threat to an advanced navy. This can be seen in a U.S. Navy

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<sup>175</sup>Green, Wehrey, and Wolf, 77.

<sup>176</sup>Knights, 130.

simulation where sixteen ships were sunk by tactics that included swarm boats.<sup>177</sup>

However, the Iranian military is being built as a deterrent measure. Because of this deterrence and intimidation Iran does not have to attack or invade Saudi Arabia, or the other Gulf States, to control the region and its oil.<sup>178</sup>

### Implications

The implications of the findings indicate that Iran will continue to pursue its goals of becoming the regional hegemony using a variety of means. Since the Iranians have moved away from creating violent opposition groups and adopted aggressive media campaigns, the Saudis will be forced to adopt a new strategy as well. In order to meet this new threat the Saudis will be forced to consider expanding the limited concessions to the Shia minority. Bringing the Shia one step closer to being equal with the Sunni majority will help counter the appeal of the Iranian Arab Street Strategy. The Saudis will continue to expend resources and manpower on maintaining a robust internal security and intelligence apparatus as well. These efforts will assist in enforcing the rule of law and dissuade would be Iranian backers of committing violent acts. To counter Iranian attempts to undermine their credibility through support to the Lebanese and Palestinians, the Saudis will need to reinvigorate their own support efforts. The threat of political instability will continue to loom over the Saudis and in order to be successful in preventing widespread dissent, they will have to continuously assess the Iranian threat and adopt a dynamic approach to counter it.

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<sup>177</sup>Baer, 104.

<sup>178</sup>Ibid., 139.

The Iranians will continue their rhetoric in regard to closing the Strait of Hormuz. This rhetoric has become more pronounced since they began showcasing their swarm boat tactics and placing on line advanced weapons systems. Based on Chapter 4 analysis the primary threat Iran poses to the Saudi economic structure is a military one. This is a threat that they have learned to deal with and have taken precautionary measures to mitigate such as the pipeline running from the Persian Gulf to the Red Sea. The greatest threat impacting on the Saudis is the creation of a worldwide view of unstable Middle East oil. This could drive oil buying countries to seek more stable sources and alternative sources of energy.

The Iranian military has greatly increased its capabilities since the 1980-1988 Iran-Iraq War. This should not be unexpected considering their performance. For the Iranians to fulfill their goal of becoming the preeminent regional superpower a large and formidable military is a requirement. The large size of its military is also indicative of its inability to match Saudi and GCC technological advantages. Despite the Iranians lag in technology they remain the largest military force in the region. Because of the threat that they do pose it is likely that the Saudis will continue to purchase advanced weapons systems from Western countries. Because of the growing Iranian capability with integrated asymmetric attack options the Saudis will become increasingly more reliant on the U.S. to counter the Iranians through deterrence. Continued U.S. presence in the region also feeds the Iranian propaganda machine stressing an anti-U.S. sentiment. This also works against the Saudi perception in the minds of many Gulf Arabs. The Saudis are, therefore, forced to either expand their military and become self reliant or continue to rely on outside protection and suffer a public perception of weakness.

### Future Conflict Scenario

In the event of a confrontation between Iran and Saudi Arabia it is likely that it will not be limited to the military alone. Preceding any military actions there is certain to be an increase in the amount of Iranian rhetoric. This is likely to be followed by increased Hezbollah activities promoting riots, terrorism, and political dissent. These activities may not be limited to Saudi Arabia but might encompass Bahrain and Kuwait as well. If a diplomatic solution is not reached following a military escalation, it is likely the Iranians will launch attacks against Saudi oil loading terminals and key infrastructure. The primary trigger for how far the Iranians are willing to pursue military force will potentially come from the level of U.S. military involvement. If the Iranians believe they having nothing to lose after a U.S. retaliation they will likely close the Strait of Hormuz. Also from an Iranian perspective they will be able to claim victory if they can inflict significant damage on U.S. military forces or a combined conventional military attack on Saudi Arabia coordinated with Hezbollah activities inside the country. The Saudis, with the specter of military losses and dissent within the Eastern Region Shia, will potentially seek an exit strategy in an attempt to salvage credibility.

While the above mentioned possibility of a confrontation is hypothetical it is within the realm of possibility. The Iranians are seeking regional hegemony. They have identified what they believe are the trigger points for a U.S. military response. They have identified and are pursuing efforts to gain support from the Arab populace. This gives an indication of how generic events might transpire.

### Unexpected Findings

This thesis identified several unexpected findings. The first is that the Iranians have diminished their activities in promoting violence and are now pursuing aggressive media campaigns to undermine Saudi credibility while simultaneously reinforcing their own image. Lastly, and most importantly, is how the three components of this thesis can be intertwined to realize the Iranian goal of becoming the regional superpower.

The components, when combined, provide the greatest unexpected results. The Iranians will use their military as a show of strength and for deterrence. This military strength, when used in conjunction with the Arab Street Strategy and political instability, is what will ultimately achieve their goals. A strong military that opposes the U.S. fosters support for political instability and Arab support throughout the region. This opens the door for political change and movements sympathetic to Iran to grow in Arab States.

### Recommendations

There are several recommendations for further research. This thesis did not delve into the topic of a nuclear armed Iran. A nuclear armed Iran would upset the balance of military power in the region and force a decision on the part of the Saudis to develop their own nuclear capability or stay under the defensive umbrella provided by the United States. A second recommended topic would be how Israel might respond if both Iran and Saudi Arabia became nuclear powers. What shift in dynamics would occur both militarily as well as politically within the region? Lastly, with a growing Arab middle class in the Persian Gulf region there are societal shifts taking place. How will these shifts in neighboring countries impact Saudi youth who lack the educational background to compete in the region?



### Summary

This thesis has examined the Iranian threat of: (1) political instability, (2) economic threat, and (3) military threat to Saudi Arabia. The analysis was based on historical events found in secondary sources and current information from primary source material. This information offers an unbiased examination of the type of threat Iran poses and how the Saudis might respond.

The threat of political instability sanctioned by Iran has largely diminished within Saudi Arabia. The Iranians have realized that pursuing their foreign policies through these tactics have helped alienate them from the rest of the Gulf Region. They are now conducting the Arab Street Strategy through an aggressive media campaign to undermine Saudi credibility and bolster their image in the region.

They are simultaneously undermining the Saudis through effective support to the Lebanese and Palestinians in Gaza. These efforts have resulted in Iranian and supported leaders becoming more popular than the current Sunni rulers. The specter of political instability still exists and will continue to plague the Saudis unless further concessions are made as they have been elsewhere in the Gulf Region.

The threat to the Saudi oil economy first materialized during the Iran-Iraq War and resulted in a pipeline stretching from the Eastern Region to the Red Sea. This was built in an attempt to continue the flow of oil out of the country and onto waiting tankers. There have not been attacks on tanker shipping since this war and the Iranians have never attempted to close the Strait of Hormuz. They do possess the weapons to severely impede traffic through the strait but are not likely to do so except as a failure option. The Iranians

will execute this failure option to end hostilities and inflict maximum damage on opposing naval forces trying to clear the shipping lanes.

The Iranian military is the largest force in the region and, although not as technologically advanced as the Gulf Arab States, is still formidable. The Iranians continue to improve their capabilities with new weapons technology and innovative tactics. They are likely to combine conventional military formations with asymmetric tactics such as the use of swarm boats. The greatest threat the Iranians pose militarily to the Saudis is through a combined missile and air attack. Strikes made against key military targets and critical oil infrastructure would impact the region and result in an escalation of outside forces into the Gulf to protect the flow of oil for the world's economy.

The Iranians and the Saudis historically prefer to limit themselves to rhetoric and attempts to contain one another throughout the region. It is unlikely that the Iranians will conduct a military attack on Saudi Arabia so long as there is a defense agreement in place with the United States. Both countries will continue to vie for power but through diplomatic and public coercion means.

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